

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 Third Reader

House Bill 271 (Delegate Szeliga)

Environment and Transportation

Judicial Proceedings

Vehicle Laws - Certificate of Title Fee - Trailer Gifted to Family Member

This bill reduces the certificate of title fee (from \$100 to \$50) for a trailer with a gross vehicle weight of 3,000 pounds or less if (1) the trailer is transferred to a specified family member and (2) no money or other valuable consideration is involved in the transfer.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) revenues decrease by approximately \$8,000 in FY 2021 and by about \$10,600 in subsequent years. Expenditures are not materially affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
SF Revenue	(\$8,000)	(\$10,600)	(\$10,600)	(\$10,600)	(\$10,600)
Expenditure	0	0	0	0	0
Net Effect	(\$8,000)	(\$10,600)	(\$10,600)	(\$10,600)	(\$10,600)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: None.

Analysis

Current Law: Generally, the fee for each certificate of title is \$100. However, the fee is lower for rental vehicles (\$50), off-highway recreational vehicle (\$35), and motor scooters or mopeds (\$20).

On the death of a joint owner of a vehicle, the Motor Vehicle Administration (MVA) may not charge a fee for a new certificate of title issued for the vehicle to another joint owner who is the surviving spouse. In addition, MVA may not charge a fee for a certificate of title issued for a vehicle that is transferred to a trust or from a trust to one or more beneficiaries in accordance with provisions of the Estates and Trusts Article.

Class G Trailers

MVA issues Class G registrations for freight and nonfreight trailers or semitrailers and for farm trailers or semitrailers. A Class G farm trailer or semitrailer registration may be issued to any applicant who certifies that the applicant is a farmer and that the vehicle for which the application is made is a farm trailer or semitrailer, specifying its proposed use.

The annual registration fee for each farm trailer or semitrailer is:

- \$12.75 for a vehicle with a maximum weight limit of 3,000 pounds;
- \$25.50 for a vehicle of up to 5,000 pounds;
- \$40.00 for a vehicle of up to 10,000 pounds; and
- \$62.00 for a vehicle of up to 20,000 pounds.

A farm trailer or semitrailer may not be used for hire except to haul farm products for another farmer, or in any manner other than a farm trailer or semitrailer.

A nonfarm Class G trailer or semitrailer is classified as either a freight or nonfreight vehicle. A nonfreight trailer or semitrailer is a vehicle designed for towing by a Class A (passenger) vehicle, a Class M (multipurpose) vehicle, or a Class E (truck) vehicle. The annual registration fee for a nonfreight trailer or semitrailer is:

- \$25.50 for a vehicle with a maximum weight limit of 3,000 pounds;
- \$51.00 for a vehicle of up to 5,000 pounds;
- \$80.00 for a vehicle of up to 10,000 pounds; and
- \$124.00 for a vehicle of up to 20,000 pounds.

State Revenues: Based on the past five years of transactions, MVA anticipates that as many as 212 transfers per year may be affected by the bill. In fiscal 2021, TTF revenues are expected to decrease by \$7,950 (reflecting the bill's October 1, 2020 effective date). In subsequent years, TTF revenues decrease by about \$10,600 annually. This estimate is based on the number of Class G trailers that were transferred as a gift over a five-year period. It is unknown whether all of those transactions involved a transfer between individuals who would pay the reduced fee under the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Department of Legislative Services

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